

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY ROME PRIORITY

INFO AMEMBASSY MADRID

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STADIS//////////

E.O. 11652: N/A

TAGS: PFOR, IT

SUBJECT: CHURCH SUBCOMMITTEE ON MULTINATIONAL CORPORATIONS

1. ACCORDING TO REPORT BY DEPARTMENT OBSERVER AT JULY 16 PUBLIC HEARINGS OF CHURCH SUBCOMMITTEE, EXXON WITNESS ARCHIE MONROE, EXXON CONTRLLER, FOCUSED HIS REMARKS FOR MOST PART ON CAZZANIGA'S ACTIVITIES AS PRESIDENT OF ESSO ITALIANA. MONROE ACKNOWLEDGED THAT AMOUNT INVOLVED WAS ABOUT \$48 MILLION OF WHICH \$29 MILLION HAD BEEN AUTHORIZED BY EXXON FOR POLITICAL CONTRIBUTIONS WHILE ABOUT \$19 MILLION WAS STILL UNACCOUNTED FOR. REPORTEDLY NEITHER MONROE NOR SUBCOMMITTEE MENTIONED ANY NAMES OF INDIVIDUALS OR ORGANIZATIONS INVOLVED.

2. THE SUBCOMMITTEE WAS PARTICULARLY INTERESTED IN HOW
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CAZZANIGA CARRIED OUT HIS FINANCIAL ACTIVITIES, I.E., USE

OF DOUBLE VOUCHERS SYSTEM, ETC. AS FOR PAYMENTS TO COMMUNISTS, THIS WAS NOT DISCUSSED IN DETAIL BUT RATHER MENTIONED ONLY IN PASSING AS AN ACCEPTED FACT.

3. SENATOR CHURCH IN AN OPENING STATEMENT REPORTEDLY SUGGESTED THAT THE DEPARTMENT OF STATE WAS AWARE OF THE SYSTEM OF POLITICAL CONTRIBUTIONS AND HAD BEEN TOO PASSIVE. AS FOR KNOWLEDGE BY EMBASSY ROME OF THE ESSO CONTRIBU-

TIONS, MONROE NOTED THAT ESSO HAD INFORMED AMBASSADOR MARTIN OF THE CONTRIBUTIONS AFTER ESSO'S INVESTIGATION WAS ALREADY UNDERWAY, E.G., IN 1972. ASKED TO COMMENT ON AMBASSADOR'S REACTION TO THE REPORTS, MONROE NOTED THAT HE HAD NO FIRST-HAND KNOWLEDGE OF ANY REACTION. IF THE AMBASSADOR HAD NOT BEEN SURPRISED, MONROE SAID, HE COULD ONLY GUESS THAT THE AMBASSADOR WAS AWARE THAT CONTRIBUTIONS WERE THE PRACTICE IN SEVERAL EUROPEAN COUNTRIES AND IN ANY EVENT TO EXXON'S KNOWLEDGE POLITICAL CONTRIBUTIONS WERE NOT ILLEGAL IN ITALY. CHIEF COUNSEL LEVINSON APPARENTLY THEN REFERRED TO PURPORTED REMARK BY AMBASSADOR MARTIN WHO UPON BEING TOLD OF THE AMOUNT INVOLVED, SAID "THAT WAS A NICE SLICE OF THE PIE."

4. DEPARTMENT HAS REQUESTED COPIES OF STATEMENTS MADE AT TODAY'S HEARINGS FROM THE SUBCOMMITTEE WHICH WE WILL POUCH ASAP TO EMBASSY.

5. MOBIL WITNESS IS SCHEDULED TO TESTIFY JULY 17 IN OPEN SESSION BEFORE THE SUBCOMMITTEE. KISSINGER

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